



Release

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Deutsche Bank reports third quarter 2012 income before income taxes of EUR 1.1 billion

- Net income of EUR 755 million; diluted earnings per share of EUR 0.78
- Net revenues of EUR 8.7 billion
- Noninterest expenses of EUR 7.0 billion, of which EUR 276 million are restructuring expenses related to the Operational Excellence Program and EUR 289 million litigation related expenses
- Core Tier 1 capital ratio of 10.7%, an increase of 57 basis points versus the end of the second quarter 2012
- Basel 3 risk-weighted assets (RWA) equivalent mitigation of EUR 25 billion with a net EUR 8 million negative impact on income before income taxes (IBIT)
- 7.9% pre-tax return on average active equity (5.3% post-tax return on average active equity)
- Corporate Banking & Securities: IBIT of EUR 662 million reflects higher revenues due to improved market conditions and increased client activity, partly offset by higher provision for credit losses, litigation charges and restructuring costs
- Global Transaction Banking: IBIT of EUR 340 million driven by continued growth in volumes and fee income
- Asset and Wealth Management: IBIT of EUR 64 million impacted by EUR 90 million of restructuring expenses; solid Private Wealth Management inflows more than offset by Asset Management outflows
- Private & Business Clients: Solid IBIT contribution of EUR 492 million despite continued low interest rate environment
- Consolidation & Adjustments: Loss before income taxes of EUR 332 million was predominantly attributable to effects from timing differences

Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) today reported results for the third quarter 2012. Income before income taxes was EUR 1.1 billion in the third quarter 2012 versus EUR 942 million in the third quarter 2011, an increase of EUR 185 million, or 20%. Net income for the quarter was EUR 755 million, versus a net income of EUR 777 million in the third quarter 2011. Diluted earnings per

share for the quarter were EUR 0.78, compared to EUR 0.74 in the third quarter 2011. Pre-tax return on average active equity was 7.9%, versus 7.2% in the third quarter 2011.

Jürgen Fitschen and Anshu Jain, Co-Chairmen of the Management Board and the Group Executive Committee, said: "In the third quarter, we delivered a strong operating result which was supported by an improvement in market conditions. We accelerated our de-risking and capital formation initiatives and, based on our increased Core Tier 1 capital ratio of 10.7%, we are on track to achieve our Basel 3 capital ambitions. As importantly, we laid the foundations for the Bank's longer term future by concluding our 100-day strategy review and by launching Strategy 2015+. In the near term, the macro environment remains uncertain, and we will maintain a cautious and risk-focused approach."

Group Results

Our net revenues in the third quarter 2012 were EUR 8.7 billion compared to EUR 7.3 billion in the third quarter 2011, an increase of 18%. Revenues in Corporate Banking & Securities (CB&S) were EUR 4.3 billion, up EUR 1.7 billion, or 65%, versus the third quarter 2011, reflecting improved market conditions and increased market activity. Revenues in Global Transaction Banking (GTB) increased to EUR 1.0 billion, up EUR 60 million, or 6%, from the third quarter 2011 reflecting continued growth and strong business volumes. Asset and Wealth Management (AWM) revenues increased by EUR 95 million, or 11%, to EUR 971 million, mainly reflecting a gain on sale of an investment and higher revenues driven by market appreciation and higher performance fees. Private & Business Clients (PBC) revenues were EUR 2.6 billion in the current quarter, up EUR 128 million, or 5%, versus EUR 2.4 billion in the third quarter 2011. Despite lower investment activity by retail clients, revenues were broadly unchanged versus the third quarter 2011, which was negatively impacted by impairments of Greek government bonds. The aforementioned revenue increases were partly offset by lower revenues in Consolidation & Adjustment (C&A), resulting from timing differences attributable to different accounting methods used for management accounting and IFRS.

Provision for credit losses was EUR 555 million in the quarter versus EUR 463 million in the third quarter 2011, with the increase of 20% being attributable to higher provision for credit losses recorded in CB&S that were partially offset by lower provision recorded in PBC. The increase in CB&S came from our IAS 39 reclassified portfolio including EUR 61 million triggered through de-risking.

Noninterest expenses were EUR 7.0 billion in the quarter, up EUR 1.1 billion, or 18%, compared to the third quarter 2011. The increase is related to several items, including higher compensation-related expenses attributable to improved operating performance, restructuring activities resulting from our Operational Excellence Program, increased policyholder benefits and claims in Abbey Life as well as higher litigation related expenses. Partly offsetting these items was the non-recurrence of the impairment of a German VAT claim recorded in the third quarter 2011.

In September 2012 we published our strategic and financial aspirations for 2015 in our Strategy 2015+. We aim to secure our long-term competitiveness by achieving operational excellence with major reductions in costs, duplication and complexity in the years ahead. We plan to invest approximately EUR 4 billion over the next three years with the aim of achieving the full run-rate annual cost savings of EUR 4.5 billion by 2015. In the third quarter 2012 we have established the first phase of the restructuring program. As we indicated, approximately EUR 600 million of the planned cost-to-achieve is expected to be expensed in the second half of 2012, of which EUR 320 million have been utilized during the third quarter 2012. The EUR 600 million cost-to-achieve include a restructuring expense budget of EUR 400 million that has been approved by the Group's Management Board and is comprised of termination benefits, additional expenses covering the acceleration of deferred compensation awards not yet amortized due to the discontinuation of future employee services and contract termination costs related to real estate. However, the timing of this approved restructuring expense budget is not restricted to 2012. Restructuring expenses of EUR 276 million were recognized in the third quarter of 2012 and approximately half of the remaining approved restructuring expense budget is expected to be utilized in the fourth quarter of 2012.

Income before income taxes was EUR 1.1 billion in the third quarter 2012 versus EUR 942 million in the third quarter 2011, an increase of EUR 185 million, or 20%.

Net income for the third quarter 2012 was EUR 755 million, compared to EUR 777 million in the third quarter 2011. Income tax expense in the third quarter 2012 was EUR 372 million versus EUR 165 million in the comparative period. The effective tax rate in the current quarter was 33% versus 18% in the prior year quarter, which primarily benefited from changes in the recognition and measurement of deferred tax assets.

Capital, Funding, and Liquidity

The Bank's Core Tier 1 capital ratio was 10.7% at the end of the third quarter, up from 10.2% at the end of the second quarter 2012. Two thirds of the increase in our Core Tier 1 capital ratio was driven by successful de-risking, resulting in lower capital deduction items as well as lower RWA. Securitization related capital deductions came down by EUR 1.1 billion over the quarter, mainly reflecting our de-risking efforts in CIB (Corporate & Investment Bank). The remaining third of our Core Tier 1 capital ratio increase was generated through the third quarter's net income attributable to Deutsche Bank shareholders of EUR 747 million.

In September, the Bank completed its full-year funding plan of EUR 15 billion. Total issuance currently stands at EUR 16 billion at an average spread of 68 basis points over Libor/Euribor. We expanded the use of our Pfandbrief program, issuing a EUR 750 million 8 year transaction during the third quarter at a spread of mid swaps +1bps.

Liquidity reserves were in excess of EUR 210 billion, maintained at a high level, and the composition was broadly the same versus 30 June 2012 with over 60% being in cash and cash equivalents.

Total assets were EUR 2,186 billion as of 30 September 2012, reflecting a slight decrease of 2% versus 30 June 2012. On an adjusted basis, which reflects netting of derivatives and certain other balances, total assets were EUR 1,281 billion as of 30 September 2012, a decrease of EUR 15 billion, or 1%, compared to 30 June 2012. As per our target definition, the leverage ratio decreased slightly to 21 compared to 22 as of 30 June 2012.

Segment results

in € m.	Net revenues			Noninterest expenses			Income before income taxes		
	3Q2012	3Q2011	Change	3Q2012	3Q2011	Change	3Q2012	3Q2011	Change
CB&S	4,305	2,602	65%	-3,355	-2,473	36%	662	70	n/m
GTB	1,001	941	6%	-626	-640	-2%	340	259	31%
AWM	971	876	11%	-896	-680	32%	64	186	-65%
PBC	2,554	2,426	5%	-1,834	-1,729	6%	492	310	59%
CI	241	213	13%	-341	-299	14%	-100	-85	17%
C&A	-413	258	n/m	74	-89	n/m	-332	202	n/m
Group	8,659	7,315	18%	-6,977	-5,910	18%	1,127	942	20%

Corporate Banking & Securities (CB&S)

CB&S net revenues were EUR 4.3 billion, up EUR 1.7 billion, or 65%, versus the third quarter 2011. Sales & Trading (debt and other products) net revenues were EUR 2.5 billion in the third quarter 2012, an increase of EUR 1.0 billion, or 67%, compared to the third quarter 2011. Sales & Trading (equity) generated net revenues of EUR 642 million in the third quarter 2012, an increase of EUR 258 million, or 67%, compared to the third quarter 2011. Origination and Advisory revenues were EUR 677 million in the third quarter 2012, an increase of EUR 302 million, or 81%, compared to the third quarter 2011. Loan products revenues were EUR 339 million in the third quarter 2012, a decrease of EUR 90 million, or 21%, compared to prior year quarter. Net revenues from Other products were EUR 147 million in the third quarter 2012, an increase of EUR 230 million from the prior year quarter.

In provision for credit losses CB&S recorded a net charge of EUR 278 million in the third quarter 2012 compared to a net charge of EUR 51 million in the prior year quarter. This was driven by higher provisions required for the IAS 39 reclassified portfolio, and in part related to de-risking activities.

Noninterest expenses were EUR 3.4 billion in the third quarter 2012, an increase of EUR 882 million, or 36%, compared to the third quarter 2011. The increase included EUR 185 million restructuring expenses related to the Operational Excellence Program. Additionally, noninterest expenses in CB&S were up due to higher performance related compensation as a result of higher operating performance, the aforementioned effects from Abbey Life, higher litigation related expenses,

and adverse foreign exchange rate movements. These increases were partially offset by the absence of a specific charge of EUR 310 million relating to the impairment of a German VAT claim in 2011.

Global Transaction Banking (GTB)

GTB's net revenues were EUR 1.0 billion in the third quarter 2012, an increase of EUR 60 million, or 6%, compared to the third quarter 2011. The increase was driven by continued growth in fee income across products, benefiting from strong volumes. Trade Finance profited from an ongoing strong demand for financing products, especially in Europe and Asia. Revenues in Trust & Securities Services grew on the back of higher fee income particularly in the Corporate Trust business in the U.S. In Cash Management, strong transaction volumes and increased deposit volumes reflect the continued 'flight-to-quality' trend.

In provision for credit losses, GTB recorded a net charge of EUR 35 million in the third quarter 2012, compared to EUR 41 million in the prior year quarter. The charges in both periods mainly related to the commercial banking activities acquired in the Netherlands in 2010.

Noninterest expenses were EUR 626 million in the third quarter 2012, a decrease of EUR 14 million, or 2%, compared to the prior year quarter. The third quarter 2011 contained a negative adjustment related to the amortization of an upfront premium paid for credit protection received in the aforementioned acquisition in the Netherlands. Excluding this effect, noninterest expenses increased year-on-year reflecting the growth in business activity, for example insurance related costs, as well as higher compensation related expenses.

Asset and Wealth Management (AWM)

AWM reported net revenues of EUR 971 million in the third quarter 2012, an increase of EUR 95 million, or 11%, compared to the same period in 2011. Revenues from Other products increased by EUR 41 million. Of this growth EUR 29 million were attributable to Asset Management (AM) and were primarily due to a gain on sale of a RREEF investment. The remaining increase in revenues from Other products of EUR 11 million was attributable to Private Wealth Management (PWM) mainly due to effects from early redemptions on specific loans in Sal. Oppenheim. Discretionary portfolio management/fund management revenues in AWM increased by EUR 48 million, or 9%, driven by market appreciation and higher performance fees. Revenues from advisory/brokerage decreased by EUR 6 million, or 3%, compared to the same period in 2011, driven by lower client activity in 2012 while the third quarter 2011 benefited from large transaction volumes as clients repositioned their portfolios. PWM's revenues from credit products increased by EUR 4 million, or 4%, compared to the third quarter 2011, mainly due to higher lending volumes in Asia/Pacific and Americas. Revenues from deposits and payment services increased by EUR 9 million, or 20%, compared to the same period in 2011, mainly due to various product initiatives targeting stable funding in all regions.

Provision for credit losses was EUR 14 million, an increase of EUR 3 million, or 24%, compared to the same period last year.

Noninterest expenses in the third quarter 2012 were EUR 896 million, an increase of EUR 216 million, or 32%, compared to the third quarter 2011. The increase included EUR 90 million restructuring expenses related to the Operational Excellence Program. Additionally, noninterest expenses in PWM were up mainly related to increased compensation costs and in AM due to further costs incurred from the strategic review announced in 2011.

Private & Business Clients (PBC)

Net revenues in the third quarter 2012 were EUR 2.6 billion, up EUR 128 million, or 5%, compared to the third quarter 2011. The majority of this increase was attributable to higher revenues from Other products, which increased by EUR 145 million. This development reflected a EUR 121 million improved contribution of Consumer Banking Germany, mainly attributable to gains from de-risking activities of Postbank's investment securities portfolio and the non-recurrence of impairments of Greek government bonds in the third quarter 2011, partly offset by decreased revenues due to the low interest rate environment, as well as lower releases of loan loss allowances recorded at Postbank prior to consolidation (which are shown as interest income). Advisory/brokerage revenues were slightly down by EUR 2 million, and revenues from discretionary portfolio management/fund management decreased by EUR 5 million, or 9%, both mainly in Advisory Banking Germany due to the continued reluctance of retail clients to invest in an ongoing uncertain macroeconomic environment. Revenues from deposits and payment services were EUR 502 million, down EUR 21 million, or 4%, compared to the third quarter 2011, mainly driven by lower volumes and margins in Advisory Banking Germany, reflecting an unfavourable interest rate environment. Credit products revenues were EUR 563 million, up by EUR 10 million, or 2%, compared to the third quarter 2011, driven by higher loan volumes, especially mortgages in Advisory Banking Germany and slightly higher margins in Advisory Banking International.

Provision for credit losses was EUR 228 million in the third quarter 2012 versus EUR 359 million in the prior year quarter, of which EUR 109 million in the third quarter 2012 and EUR 195 million in the third quarter 2011, related to Postbank. The decrease of EUR 86 million in relation to Postbank was mainly attributable to releases of loan loss allowances recorded within the Retail Portfolio after consolidation. In the current quarter, releases of loan loss allowances recorded prior to consolidation were EUR 24 million (versus EUR 111 million in the third quarter 2011) and are reported as net interest income. Excluding Postbank, provision for credit losses decreased by EUR 45 million, compared to the same quarter last year, with lower provisions in both Advisory Banking Germany and International.

Noninterest expenses were EUR 1.8 billion in the third quarter 2012, an increase of EUR 105 million, or 6%, compared to the third quarter 2011. Noninterest expenses in Consumer Banking Germany increased slightly by EUR 10 million,

which included EUR 7 million higher integration costs. Excluding Consumer Banking Germany, noninterest expenses were up EUR 95 million, mainly resulting from higher integration costs, the Hua Xia Bank cooperation as well as cost allocations.

Corporate Investments (CI)

Net revenues were EUR 241 million in the third quarter 2012, compared to EUR 213 million in the third quarter 2011. Revenues in CI mainly contain recurring revenues from BHF-BANK and our consolidated investments in The Cosmopolitan of Las Vegas and Maher Terminals. The increase in CI's revenues of EUR 28 million was primarily driven by positive business developments within these consolidated investments.

Noninterest expenses were EUR 341 million in the third quarter 2012, compared to EUR 299 million in the same period of last year. CI's noninterest expenses mainly comprise the operating costs from BHF-BANK and our consolidated investments in The Cosmopolitan of Las Vegas and Maher Terminals. The increase of EUR 41 million was mainly driven by higher operating costs of our consolidated investments, partly offset by lower expenses in BHF-BANK related to improvements in cost structure.

Consolidation & Adjustments (C&A)

Loss before income taxes in Consolidation & Adjustments (C&A) was EUR 332 million in the third quarter 2012, compared to an income before income taxes of EUR 202 million in the prior year quarter. This development was predominantly attributable to timing differences from different accounting methods used for management reporting and IFRS which amounted to negative EUR 273 million in the third quarter 2012 compared to positive EUR 259 million in the prior year quarter.

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 20 March 2012 under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from www.deutsche-bank.com/ir.

This release also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, please refer to the 3Q2012 Financial Data Supplement, which is available at www.db.com/ir.